

11-9-87 tald Surah to set us ENERGY AND MINERALS DEPARTMENT Some spring

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

GARREY CARRUTHERS SOVERNOR

April 27, 1987

POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88241-1980 (505) 393-6161

Phillips Petroleum Company 4001 Penbrook Odessa, TX 79762

Attn: Larry Sanders

Re: State 1-2 Well #1-E

Section 2, T19S, R32E

Gentlemen:

Your recently submitted C-104 (undesignated Bone Springs) on the above-referenced well cannot be approved as an extension to the Upper Querecho Plains Bone Spring Pool. Your perforations 8145 feet thru 9251 feet includes both the upper and lower Querecho Plains Bone Springs interval as well as the Bone Spring above the Upper Querecho Bone Spring interval.

Since the well lies almost equal distance between the East Lusk Bone Spring Pool and the Querecho Plains Bone Spring Pools, the well (as perforated) will come under the East Lusk Bone Spring Pool and as you are aware the East Lusk Bone Spring Pool has 160 acre proration units.

Please resubmit your application for a 120 acre non-standard proration unit or submit a plat dedicating 160 acres to this well. No allowable will be assigned until the NSP is approved or 160 acres is dedicated to the well.

Very truly yours.

OIL CONSERVATION DIVISION

Jerry Sexton

Supervisor, District I

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